

# CROP PRODUCTION COSTS

## CORN AND SOYBEAN PRODUCTION COSTS AND RETURNS HEARTLAND REGION <sup>1/</sup>, 2001-2002

Item	Corn		Soybeans	
	2001	2002	2001	2002
<u>Dollars per Planted Acre</u>				
Total, Gross Value of Production (Excluding Direct Government	273.17	<b>327.93</b>	189.78	<b>228.34</b>
Operating Costs:				
Seed	33.00	<b>31.60</b>	21.72	<b>23.01</b>
Fertilizer	49.85	<b>37.24</b>	7.42	<b>6.72</b>
Soil Conditioners <sup>2/</sup>	.09	<b>.09</b>	.09	<b>.09</b>
Manure	1.73	<b>1.37</b>	1.18	<b>.92</b>
Chemicals	26.67	<b>26.22</b>	22.82	<b>22.73</b>
Custom Operations <sup>3/</sup>	9.77	<b>9.69</b>	6.14	<b>6.05</b>
Fuel, Lube, and Electricity	16.18	<b>15.28</b>	7.76	<b>7.15</b>
Repairs	12.21	<b>12.35</b>	9.84	<b>9.95</b>
Interest on Operating Capital	2.50	<b>1.13</b>	1.30	<b>.64</b>
Total, Operating Costs	152.00	<b>134.97</b>	78.27	<b>77.26</b>
Allocated Overhead:				
Hired Labor	2.10	<b>2.19</b>	1.42	<b>1.49</b>
Opportunity Cost of Unpaid Labor	22.20	<b>23.03</b>	19.41	<b>20.21</b>
Capital Recovery of Machinery and Equipment	51.27	<b>51.87</b>	52.80	<b>53.42</b>
Opportunity Cost of Land (rental rate)	96.90	<b>98.83</b>	92.38	<b>93.78</b>
Taxes and Insurance	5.15	<b>5.07</b>	7.14	<b>7.11</b>
General Farm Overhead	10.49	<b>10.69</b>	15.46	<b>15.72</b>
Total, Allocated Overhead	188.11	<b>191.68</b>	188.61	<b>191.73</b>
Total, Cash Listed	340.11	<b>326.65</b>	266.88	<b>268.99</b>
Value of Production Less Total Costs Listed	-66.94	<b>1.28</b>	-77.10	<b>-40.65</b>
Value of Production Less Operating Costs	121.17	<b>192.96</b>	111.51	<b>151.08</b>
Supporting Information:				
Yield (bushels per planted acre)	151	<b>142</b>	46	<b>44</b>
Price (dollars per bushel at harvest)	1.80	<b>2.30</b>	4.16	<b>5.23</b>
Enterprise size (planted acres) <sup>1/</sup>	270	<b>270</b>	225	<b>225</b>
Production Practices <sup>4/</sup> <sup>5/</sup>				
Irrigated (percent)	5	<b>5</b>	2	<b>2</b>
Dryland (percent)	95	<b>95</b>	98	<b>98</b>

<sup>1/</sup> Heartland Region includes: Illinois, Indiana, Iowa, Western Kentucky, Southern and Western Minnesota, North and Central Missouri, Northeastern Nebraska, Western Ohio, and Southeastern North Dakota.

<sup>2/</sup> Cost of lime.

<sup>3/</sup> Cost of custom operations, technical services and commercial drying.

<sup>4/</sup> Corn: 2001 estimates based on 2001 survey.

<sup>5/</sup> Soybeans: For 1997 survey base year only.

Source: Economic Research Service